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MAILED  
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OFFICE OF PETITIONS

In re Patent of Theodore M. Myers et al. :  
Patent No. 6,185,127 :  
Issue Date: February 6, 2001 : DECISION ON REQUEST FOR REFUND  
Application No. 09/495,409 :  
Filed: January 31, 2000 :  
Attorney Docket No. 26601-010012 :

This is a decision on the Request for Refund filed October 17, 2012.

The Request for Refund is **DISMISSED**.

Applicant files the above request for refund and states that "This Request for Refund is in response to the United State Patent and Trademark Office communication mailed September 25, 2012 denying our initial request for refund. A second request is made to the USPTO under 37 C.F.R. 1.26(a) and 35 U.S.C. 42 for refund of a "fee paid by mistake" in this case. On August 2, 2012, Requestor mistakenly paid a twelve year Maintenance Fee (small entity) for the above-identified application in the amount of \$2,365.00 as a "fee paid by mistake". Requestor paid these funds by actual mistake. The subject application is not owned by the Requestor nor is the Requestor a representative of the patentee. Requestor believes this was a "fee paid by mistake" within the meaning of 35 U.S.C. 42(d). This was not a change of purpose. Requestor believes this was a fee paid when no fee was required as we are not the Assignee or a representative of the Assignee and have no duty to maintain the subject patent. Paradigm IP Law, PC is the representative of the Assignee responsible for the payment. Paradigm IP Law contacted Requestor directly and requested Requestor's assistance so that Paradigm IP may properly make the payment on behalf of their client, the Assignee. In view of the forgoing facts and reasons, Requestor respectfully requests that the USPTO refund the payment of the twelve year maintenance fee to Requestor's Deposit Account Number ... so that Paradigm IP Law can make the payment on the subject patent owned by their client."

Applicant asserts that the twelve year maintenance payment on August 2, 2012, was made by mistake, and as such seeks a refund.

**STATUTE, REGULATION, AND EXAMINING PROCEDURE**

35 U.S.C. § 41(b) states in pertinent part that:

The Commissioner shall charge the following fees for maintaining in force all patents based on applications filed on or after December 1, 1980:

- (1) 3 years and 6 months after grant, \$830.<sup>1</sup>
- (2) 7 years and 6 months after grant, \$1900.
- (3) 11 years and 6 months after grant, \$2,990.

Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent shall expire as of the end of such grace period.

35 USC § 42(d) provides that, "The Commissioner may refund any fee paid by mistake or any amount paid in excess of that required."

37 CFR 1.26(a) states in pertinent part that, "Any fee paid by actual mistake or in excess of that required will be refunded, but a mere change of purpose after the payment of money, as when a party desires to withdraw an application, an appeal, or a request for oral hearing, will not entitle a party to demand such a return."

**OPINION**

The standard for review of the action or inaction of any employee or operation within the United States Patent and Trademark Office is whether that employee or operation acted in an arbitrary or capricious matter, such that the action or inaction was tantamount to an abuse of discretion. However, a review of the refusal to refund the maintenance fee in question fails to demonstrate any abuse of discretion.

The applicable statute, 35 USC 42(d), authorizes the Commissioner to refund "any fee paid by mistake or any amount paid in excess of that required." Thus the Patent and Trademark Office (PTO) may refund: (1) a fee paid when no fee is required (*i.e.*, a fee paid by mistake), or (2) any fee paid in excess of the amount of the fee that is required. See Ex Parte Grady, 59 USPQ 276, 277 (Comm'r Pats. 1943) (the statutory authorization for the refund of fees is applicable only to a mistake relating to the fee payment, and not the underlying action). In the situation, as herein, in which an applicant or patentee takes an action "by mistake" (e.g., files an application "by mistake" or maintains the "wrong" patent in force), the submission of fees required to take that action (e.g., a filing fee submitted with such application or maintenance fee designated for the "wrong" patent and application number) is not a "fee paid by mistake" within the meaning of 35

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<sup>1</sup> Maintenance fees in effect as of the date the maintenance fee was paid. The fees are subject to a 50% reduction for small entities.

U.S.C. § 42(d). See Changes to Implement the Patent Business Goals, Notice of Proposed Rulemaking, 64 FR 53771, 53780 (October 4, 1999), 1228 Off. Gaz. Pat. Office, 15, 23 (November 2, 1999).

35 U.S.C. 41(b),(h)(1) requires that the Commissioner charge a fee to maintain the above-identified patent in force after four years from its date of grant. The maintenance fee was not a fee paid when no fee was required, and was not a fee paid in an amount in excess of that required. That petitioner considers it to have been a "mistake" for action to have been taken to have maintained the above-identified patent in force does not cause the maintenance fee to be a "fee paid by mistake" within the meaning of 35 U.S.C. § 42(d). Moreover, the applicable regulation, 37 CFR 1.26, requires that the money had to be paid by actual mistake, for a refund to be authorized. The mistake, however, must clearly be in relation to the payment itself, and not the underlying action, in order to be refundable. Grady, supra. Rather, the amount paid herein was owed at the time it was paid. Such is not a mistake within the meaning of the aforementioned statute and regulation, that warrants a refund.

In this regard, contrary to applicant's assertion, there was no mistake relating to the payment itself. Applicant is reminded that the use of "shall" appears in 35 USC § 41(b) pertaining to collection of fees upon the filing of an application with the PTO. It is well settled that the use of "shall" in a statute is the language of command, and where the directions of a statute are mandatory, then strict compliance with the statutory terms is essential. Farrel Corp. v. U.S. Int'l Trade Comm'n, 942 F.2d 1147, 20 USPQ2d 1912 (Fed. Cir. 1991). That is, it is mandatory that the Commissioner charge, and the applicant pay, the fees specified by statute upon presentation of a request for a service by the PTO. See BEC Pressure Controls Corp. v. Dwyer Instruments, Inc., 380 F.Supp. 1397, 1399, 182 USPQ 190, 192 (N.D. Ind. 1974). As such, the third maintenance fee was due when such was submitted to the PTO on August 2, 2012, and was paid in the correct amount. Id. The language of the statute does not permit the Commissioner any discretion with respect to charging the fees set forth therein. Id.

That applicant may have erred in presenting the maintenance fee to the PTO for this patent does not warrant a finding that the payment was made "by mistake." Rather, the fee was owed at the time it was paid. As noted in 37 CFR 1.26(a), applicant's change of purpose does not constitute a "mistake" in payment warranting refund of the fees previously paid. The payment of the fee automatically was due, by statute, when applicant presented, rightly, or wrongly, the aforementioned submission to the PTO for maintenance of this patent in force. Thus, it is immaterial to the question of "mistake" in payment of the instant maintenance fee, that applicant may have erred in submitting the fee to the PTO to maintain this patent in force.

Lastly, applicant is directed to 37 C.F.R. 1.366 Submission of Maintenance fees which reads:

*(a) The patentee may pay maintenance fees and any necessary surcharges, or any person or organization may pay maintenance fees and any necessary surcharges on behalf of a patentee. Authorization by the patentee need not be filed in the Patent and Trademark Office to pay maintenance fees and any necessary surcharges on behalf of the patentee.*

In view of the above, the request for refund is dismissed.

Inquiries relating to this matter may be directed to the undersigned at (571) 272-3208.

/KOC/

Karen Creasy  
Petitions Examiner  
Office of Petition

cc:

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